

Public Service Commission State of North Dakota

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November 19, 2021

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Travis R. Jacobson, Director of Regulatory Affairs Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501

NOTICE OF NONCOMPLIANCE

RE: Case No. PU-21-151,

Montana-Dakota Utilities Co.

230 kV Transmission Line - Morton County

On July 21, 2021, Montana-Dakota Utilities Co. filed a final combined application for a corridor certificate and a route permit for location of an approximately 1.5-mile-long 230-kilovolt electrical transmission line. The project originates at the R. M. Heskett Station and terminates at the Mandan Transmission Substation. The 1.5-mile-long transmission line consists of an existing 0.4 mile line segment and construction of two line segments totaling approximately 1.1 miles located in Morton County, North Dakota (Project).

On October 7, 2021, the Commission held a public hearing on the application at the Mandan City Hall, Ed "Bosh" Froehlich Meeting Room, 205 Second Avenue Northwest, Mandan, ND 58554.

At the hearing, MDU testified that transmission structures 1 through 6 had been constructed prior to filing an application with the Commission to obtain a certificate of site compatibility or a route permit.

N.D.C.C. 49-22-07(1) states:

1. A utility may not begin construction of an electric energy conversion facility or an electric transmission facility in the state without first having obtained a certificate of site compatibility or a route permit from the commission pursuant to this chapter. The facility must be constructed, operated, and maintained in conformity with the certificate or permit and any terms, conditions, or modifications of the certificate or permit. A certificate or permit may be transferred, subject to the approval of the commission, to any person who agrees to comply with its terms, conditions, and modifications.

53 PU-21-151 Filed: 11/19/2021 Pages: 2 Notice of Noncompliance

MDU is in noncompliance with North Dakota Century Code (N.D.C.C.) section 49-22-07 (1) by failing to obtain a certificate of site compatibility or a route permit from the Commission before beginning construction of an electric transmission facility in the state.

N.D.C.C. 49-22-21(3) states:

- 3. Any person who willfully engages in any of the following conduct is subject to a civil penalty of not to exceed ten thousand dollars for each such violation for each day the violations persist, except that the maximum penalty may not exceed two hundred thousand dollars for any related series of violations:
 - a. Begins construction of an electric energy conversion facility or an electric transmission facility without having been issued a certificate or permit pursuant to this chapter.
 - b. Constructs, operates, or maintains an electric energy conversion facility or an electric transmission facility other than in compliance with the certificate or permit and any terms, conditions, or modifications contained therein.
 - c. Violates any provision of this chapter or any rule adopted by the commission pursuant to this chapter.
 - d. Falsifies, tampers with, or renders inaccurate any monitoring device or method required to be maintained pursuant to a certificate or permit issued pursuant to this chapter.

The civil penalty provided for in this subsection may be compromised by the commission. The amount of the penalty when finally determined or agreed upon in compromise must be deposited in the general fund and, if not paid, may be recovered in a civil action in the courts of the state.

In addition to the civil penalty the Commission may impose, the application for a Site Certificate and Route Permit for the Project could be denied for operation in violation of North Dakota Administrative Code.

To avoid further action due to noncompliance, Commission Staff asks that MDU begin discussions with Staff as soon as possible regarding a resolution.

You may contact me at 701-328-4077 with any questions concerning this letter.

Best regards,

Patrick Fahn

Director, Public Utilities Division

cc: Paul Sanderson Allison Mann